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by deleting Sections 1 and 2 of the printed bill and by substituting instead the following:

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Section 1. Tennessee Code Annotated, Section 48-202-101, is amended by inserting in subdivision (7) the following: "Business" includes every trade, occupation, profession, investment activity and other lawful purpose for gain or the preservation of assets whether or not carried on for profit.

Section 2. Tennessee Code Annotated, Section 48-202-101(20), is amended by inserting the language "a right to vote on one (1) or more matters and" between the language "means" and the language "all".

Section 3. Tennessee Code Annotated, Section 48-202-101, is amended by renumbering existing subdivisions (24) through (27) as (26) through (29) and by adding the following new subdivisions (24) and (25):

(24) "Majority in Interest" means any group of members who, as of the date of a dissolution event described in § 48-245-101(a) or other date of a determination, collectively own membership interests with financial rights that entitle the group of members to receive collectively not less than a majority of all present and future distributions from profits, and not less than a majority of all distributions of capital of the LLC. Unless otherwise provided in the articles or operating agreement, the determination of the estimated future distributions shall be made by the chief manager.

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(25) "Majority Vote" means with respect to a vote of the members, either

(a) if voting on a per capita basis, a majority in number of the members entitled to vote on a specific matter or (b) if the voting is determined otherwise, a majority of the voting interest (which may be expressed as a percentage) entitled to vote on a specific matter, and with respect to a vote of the governors, a majority in number of the governors entitled to vote on a specific matter.

Section 4. Tennessee Code Annotated, Section 48-203-102(a), is amended by deleting the language "and accepting the initial contributions." at the end of the first sentence and by inserting "and admitting the initial members.".

- Section 5. Tennessee Code Annotated, Section 48-204-101, is amended by adding the following new subsection (f):
 - (f) Amendment of Articles of Conversion. Articles of conversion shall be amended in the same manner as articles of organization.
- Section 6. Tennessee Code Annotated, Section 48-205-101, is amended by deleting paragraph (4) and inserting instead the following:
 - (4) If, pursuant to §48-217(f), one (1) or more members are personally liable for all of the debts, obligations and liabilities of the LLC, the articles must set forth the information required in §48-217-101(f);

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Section 7. Tennessee Code Annotated, Section 48-202-101(6), is amended by adding at the end of the subdivision the following language: "which shall not be less than two (2)".

Section 8. Tennessee Code Annotated, Section 48-205-101, is amended by inserting the following new paragraphs (7) and (16):

- (7) If the LLC is board-managed, and dissolution events may be determined only with respect to governors who are members and/or that transfers of governance rights may be permitted only by consent of the governors who are members, either such provision(s) must be set forth in the articles or the articles must contain a statement that the operating agreement may so provide.
- (16) If the LLC, while being formed under Tennessee law, is not to engage in business in Tennessee, a statement that the LLC is prohibited from engaging in business in Tennessee.
- Section 9. Tennessee Code Annotated, Section 48-205-101(10), is amended by deleting the subdivision in its entirety and by substituting instead the following:
 - (10) If the LLC has the power to expel a member, a statement that such power exists;
- Section 10. Tennessee Code Annotated, Section 48-205-101(11), is amended by deleting the subdivision in its entirety and by inserting instead the following:

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(11) If the duration of the LLC is to be limited to a specific period of time or term of years, such limitation and the future date on which dissolution is to occur or the term of years shall be stated in the articles.

Section 11. Tennessee Code Annotated, Section 48-205-101(14), is amended by deleting the language "A statement as to whether" and by substituting instead the language "If", and by deleting the language "may" in the second line and inserting the language ", a statement that such rights exist" between the language "rights and the punctuation ";".

Section 12. Tennessee Code Annotated, Section 48-206-102(a), is amended by inserting the language "or the organizer(s)" between the language "members" and the punctuation "." in the first sentence of the subsection.

Section 13. Tennessee Code Annotated, Section 48-207-101(a)(2)(C), is amended by deleting the language "the state of Tennessee" and by substituting instead the language "any state thereof" and by deleting the language "of Tennessee" in the fourth line.

Section 14. Tennessee Code Annotated, Section 48-209-103, is amended by adding the following as a new paragraph (d) and by redesignating the subsequent subsections:

(d) Notwithstanding the above, unless the articles or operating agreement provide otherwise, any member or group of members of either a board-managed

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or member-managed LLC entitled to call a meeting may propose an amendment to the articles and call a meeting of the members to consider such amendment.

Section 15. Tennessee Code Annotated, Section 48-216-101(a), is amended by inserting before the first sentence of the subsection the following language:

If an LLC has, pursuant to §48-245-101(c)(1), eliminated as events of dissolution all of the events enumerated in §48-245-101(a)(5)(A)-(K), unless otherwise provided by the articles or operating agreement, no member shall have the power or right to perform an event enumerated in §48-245-101(a)(5)(B),(C), or (J) or the right to perform an event enumerated in §48-245-101(a)(5)(G) or (H). Except as provided above,

Section 16. Tennessee Code Annotated, Section 48-216-101(a), is amended by deleting all but the first sentence of the subsection, by deleting the language "A" and by substituting instead the language ", a", and by inserting the following before the language "a" at the beginning of the first sentence:

Unless otherwise provided in chapters 201-248 of this title, the articles, operating agreement, or the events enumerated in §48-245-101(a)(5)(A),(D),(E),(I) and (K), any other withdrawal or termination shall be deemed wrongful.

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Section 17. Tennessee Code Annotated, Section 48-216-101(c)(1), is amended by inserting the language "existence and" between the language "the" and the language "business".

Section 18. Tennessee Code Annotated, Section 48-216-101(c)(2), is amended by deleting the language "If the" and by substituting instead the language: "Unless the articles or operating agreement provides otherwise, if the existence and".

Section 19. Tennessee Code Annotated, Section 48-216-101(d), is amended by deleting subdivisions (4),(5) and (6) and by inserting at the end of subdivision (2) the following: "Such damages may be offset against any amount to be paid to the wrongfully withdrawing or terminating member by the LLC.".

Section 20. Tennessee Code Annotated, Section 48-216-101(e), is amended by deleting the subsection in its entirety and by substituting instead the following new subsections (e), (f), (g) and (h):

(e) VALUE IF LLC IS CONTINUED. If the business and existence of the LLC are continued, any withdrawing or terminating member, whether such withdrawal or termination was wrongful or otherwise, is entitled to receive, subject to the provisions of paragraph (d) above, the lesser of the fair market value of the withdrawing or terminating member's interest determined on a going concern basis or the fair market value of the withdrawing member's interest determined on a liquidation basis.

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- (f) VALUE IF LLC TERMINATES. Except as provided by paragraph (d), if the business and existence of the LLC are not continued, then any withdrawing or terminating member, whether such withdrawal or termination was wrongful or otherwise, shall be entitled to receive that member's distribution under § 48-245-1101.
- (g) TERMS OF PAYMENT. Except as provided in the articles or operating agreement, any amount to which a withdrawing or terminating member shall be entitled under subsection (e) or (f) above shall be paid to such withdrawing or terminating member within six (6) months of the determination of such amount.
- (h) MODIFICATION BY ARTICLES OR OPERATING AGREEMENT.

 Notwithstanding other provisions in this section, the articles or operating agreement may 48-217-101(e) and 48-217-101(f)" by deleting the language "48-204-101(e)" and by inserting the language "employee," between the language "manager," and the language "or other agent of an LLC" in the first sentence.

Section 21. Tennessee Code Annotated, Section 48-217-101(a), is amended by inserting the language "§§ 48-217-101(e) and 48-217-101(f)" by deleting the language "48-204-101(e)" and by inserting the language "employee," between the language "manager," and the language "or other agent of an LLC" in the first sentence.

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Section 22. Tennessee Code Annotated, Section 48-217-101, is amended by inserting a heading for subsection (d) entitled "SALES TAX LIABILITY" and inserting the following new subsection (e):

(e) Failure to Follow Formalities Not To Generate Personal Liability. The failure of an LLC to observe the usual company formalities or requirements relating to the exercise of its LLC powers or management of its business is not a ground for imposing personal liability on the members, governors, managers, employees or other agents of the LLC.

SECTION 23. Tennessee Code Annotated, Section 48-217-101, is amended by inserting the following as a subsection (f):

- (f) Voluntary Unlimited Liability. Notwithstanding anything to the contrary in this section, the articles may provide that one (1) or more specifically identified members, as named in the articles, will be personally liable for all of the debts, obligations and liabilities of the LLC and, if so, each such specifically identified member shall be liable to the same extent as a general partner in a general partnership, provided that:
 - (1) In order to be effective, however, each member so identified must sign the articles, or an amendment to the articles containing this provision; and

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- (2) Each such member shall continue to be personally liable for debts, obligations and liabilities of the LLC until:
 - (A) The articles are amended to strike such member's name, but the amendment must be signed by the chief manager or secretary and any remaining members who continue to be identified in the articles as being personally liable for the debts, obligations and liabilities of the LLC.
 - (B) A member who is identified in the articles as being personally liable has the power, but not necessarily the right, to withdraw from the LLC by filing an amendment to the articles stating that such member has withdrawn from the LLC and will not be liable for any future debts, obligations and liabilities of the LLC; provided, however, that such an amendment to the articles shall be effective immediately except with respect to parties that have reasonably relied upon the articles naming such person as individually liable for the debts, obligations and liabilities of the LLC.
 - (C) An amendment to the articles filed pursuant to § 48-217-101(f)(2) shall not be effective against such parties reasonably relying upon such articles until the passage of ninety

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(90) days from the filing of the amendment to the articles.

Notwithstanding the preceding, such member or former member will continue to be liable for all debts and obligations of the LLC incurred by the LLC while such member assumed liability.

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Section 24. Tennessee Code Annotated, Section 48-218-102(a), is amended by inserting the following language at the end of the subsection:

A member or holder of a financial right shall have no power to assign all or any part of the member's membership interest or financial rights, except as provided in § 48-218-101 and § 49-218-102.

Section 25. Tennessee Code Annotated, Section 48-218-102(b), is amended by deleting the subsection in its entirety and by substituting instead the following:

(b) CONSENTS REQUIRED.

- (1) Except as otherwise provided in the articles or the operating agreement, a member may, without the consent of any other member, assign governance rights to another member.
- (2)(A) Except as provided in subparagraphs (B) and (C) below, any other assignment of any governance rights is effective only if all the members, other than the member seeking to make the assignment, approve the assignment by unanimous consent, or, if the articles or operating agreement so permit, if the assignment is approved by at least

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a majority vote of the members exclusive of the member seeking to make the assignment. The consent of a member may be evidenced in any manner specified in the articles or operating agreement, but in the absence of such specification, consent shall be evidenced by a written instrument, dated and signed by such person. The giving of consent is at the discretion of the consenting party and may be unreasonably withheld.

- (B) If the articles or operating agreement so provide, the governors who are members may approve, by a majority or greater in number of the non-assigning governors who are members, the assignment of governance rights to a non-member. In the event there are no non-assigning governors who are members, the assignment must be approved by unanimous consent of the governors or, if the articles or operating agreement so permit, the assignment shall be approved by at least a majority vote of the members exclusive of the member seeking to make the assignment.
- (C) If permitted in the articles or operating agreement, the governance rights associated with specific membership interests or class of membership interests constituting less than eighty percent (80%) of the aggregate governance rights may be assigned without the consent of the members or the governors who are members.

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Section 26. Tennessee Code Annotated, Section 48-218-102(c)(2), is amended by inserting the language "consent required under subsection (b)" after the language "if such consent is necessary and in fact constitutes a majority in interest of the remaining members.".

Section 27. Tennessee Code Annotated, Section 48-218-103, is amended by deleting the language "transfer" and by substituting instead the language "assignment" every time it appears.

Section 28. Tennessee Code Annotated, Section 48-219-101(a), is amended by inserting the language ", except as otherwise provided in the articles or operating agreement," following the language "legal representative" in the first sentence and following the language "that member" in the second sentence.

Section 29. Tennessee Code Annotated, Section 48-221-101(a), is amended by deleting the language "uniform" in the second sentence and by substituting instead the language "the".

Section 30. Tennessee Code Annotated, Section 48-222-101(e), is amended by deleting the punctuation "." at the end of the first sentence and by inserting instead the following: "unless the articles or operating agreement provide for a specific county, in or out of the state, in which such meeting must be held."

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Section 31. Tennessee Code Annotated, Section Section 25. Tennessee Code Annotated, Section 48-218-102(b), is amended by deleting the subsection in its entirety and by substituting instead the following:

- (e) REQUIRED NOTICE TO MEMBERS. Notwithstanding provisions in the articles or operating agreement to the contrary, all members and parties to contribution agreements and/or contribution allowance agreements shall be entitled to receive notices of the annual meetings of the members of a board-managed LLC and notices of all meetings of an LLC called for the purpose of considering any of the following actions:
 - (1) Dissolution;
 - (2) Liquidation;
- (3) Sale of all or substantially all of the assests of the LLC outside the ordinary course of business; or
 - (4) Merger.

The failure of the LLC to properly notify the parties not entitled to vote on a matter shall not invalidate or void any action described above taken at such meeting.

Section 32. Tennessee Code Annotated, Section 48-222-103, is amended by deleting the language "If and to the extent authorized" and by inserting instead the language "Unless otherwise provided".

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Section 33. Tennessee Code Annotated, Section 48-223-101(b), is amended by deleting the language "NONVOTING" in the title and "nonvoting" wherever such language appears in the subsection, by deleting the language "voting" in the first sentence, by inserting in the fifth line immediately before "written notice of the proposed action" the language "who would not be entitled to vote on such matter a", and by inserting in the sixth line after the language "given to the members" the language "entitled to vote".

Section 34. Tennessee Code Annotated, Section 48-224-102, is amended by deleting the language "voting power" and by substituting instead the language "voting interest".

Section 35. Tennessee Code Annotated, Section 48-225-101, is amended by adding the following at the end of the existing section: "The person to whom proxies may be given and the purposes of such proxies is limited in the same manner as voting agreements under § 48-226-101(b).".

Section 36. Tennessee Code Annotated, Section 48-232-101(b), is amended by adding the following language at the end of the existing subsection:

The action of the members or board of governors shall be by such number or interest as required to admit a member under Section 48-232-102.

Section 37. Tennessee Code Annotated, Section 48-232-101(c), is amended by inserting the language "or a party to a contribution agreement" between the language "a

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member" and the language "is obligated", by inserting the language "or a party to a contribution agreement", between the language "member" and the language "is unable"; by inserting the language "or a party to a contribution agreement", between the language "If a member" and the language "does not make"; by deleting the language "the member" and by substituting instead the language "such person"; and by deleting the language "member" in the last sentence and by substituting the language "person".

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Section 38. Tennessee Code Annotated, Section 48-232-101(d), is amended by inserting in the second line following the language "the obligation of a member" the language "or party to a contribution agreement" and by inserting in the ninth line following the language "on the obligation of a member" the language "or party to a contribution agreement".

Section 39. Tennessee Code Annotated, Section 48-232-102, is amended by inserting after the heading the language "(a) APPROVAL OF A NEW MEMBER."; by inserting at the beginning of the second sentence the language "The articles or operating agreement"; by deleting "The members by a vote sufficient to admit a new member,". by deleting on line seven the language "or to a committee of members", and by inserting the following new subsections (b), (c) and (d):

(b) MINIMUM APPROVAL OF MEMBERS. If approval of the admission of a new member is by the members, neither the articles nor the operating agreement may reduce the vote of the members required to approve the

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admission of a new member to less than either a per capita majority of the non-transferring members, a majority of the profits interest of the non-transferring members, a majority of the capital interest of the nontransferring members, or a majority-in-interest of the nontransferring members.

- (c) MINIMUM APPROVAL OF GOVERNORS. If approval of the admission of a new member of a board-managed LLC is by the board of governors, neither the articles nor the operating agreement may reduce the vote of the governors required to approve the admission of a new member to less than a majority in number of the nontransferring governors who are members.
- (d) CONSENT IS DISCRETIONARY. All consents under this subsection may be unreasonably withheld and are in the sole discretion of the member or governor.

Section 40. Tennessee Code Annotated, Section 48-233-101(a)(2), is amended by deleting from line two of the existing subsection the language "number of" following the language "by the required"; by inserting on line three following the language "or the board of governors" the language "sufficient to admit a new member under the articles or operating agreement and § 48-232-102"; and by deleting the rest of the sentence.

Section 41. Tennessee Code Annotated, Section 48-233-101(b), is amended by adding the language "agreement" in the third line following the language "party to a contribution".

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Section 42. Tennessee Code Annotated, Section 48-233-101(c), is amended by

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deleting the language "on" in line eight and substituting instead the language "of".

Section 43. Tennessee Code Annotated, Section 48-233-101(d), is amended by deleting in line five the language "and the parties to all outstanding contribution agreements"; and by deleting the remainder of the subsection following the language "written consent of the members" in line seven and substituting instead the language "or governors sufficient to approve the admission of a new member under the articles or operating agreement and in accordance with § 48-232-102.".

Section 44. Tennessee Code Annotated, Section 48-234-101(a), is amended by deleting the language "fixed by the board of governors or the members" and by inserting instead the punctuation "," and by adding at the end of the sentence the language "fixed by the board of governors or the members by an action of the members or governors as required for the admission of a new member under § 48-232-102 and permitted under the articles or operating agreement".

Section 45. Tennessee Code Annotated, Section 48-234-101(b), is amended by inserting the following language at the end of the subsection:

A contribution allowance agreement made after the formation of the LLC is not enforceable against the LLC unless it is approved by the required members or the board of governors, if applicable, sufficient to admit a new member under the articles or operating agreement and § 48-232-102.

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Section 46. Tennessee Code Annotated, Section 48-234-101(c), is amended by deleting the language "and the parties to all outstanding contribution agreements"; by inserting the language "or the operating agreement" between the language "articles" and the language "so"; and by deleting the remainder of the subsection following the language "the written consent of the members" and by substituting instead the following:

or the board of governors as required under Section 48-232-101 and as permitted in the articles or operating agreement.

Section 47. Tennessee Code Annotated, Section 48-235-101(b), is amended by deleting the language "presumed to be proper" and by substituting instead the language "valid and binding".

Section 48. Tennessee Code Annotated, Section 48-236-102, is amended by inserting the language "or by a majority vote of the members" between the language "agreement" and the punctuation ",".

Section 49. Tennessee Code Annotated, Section 48-238-101(a)(2), is amended by deleting the language "subdivision (a)(3) and".

Section 50. Tennessee Code Annotated, Section 48-238-101(a)(3), is amended by deleting the subdivision in its entirety.

Section 51. Tennessee Code Annotated, Section 48-238-101(b)(1), is deleted in its entirety and Tennessee Code Annotated, Section 48-238-101(b)(2) shall be

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designated as Section 48-238-101(b). The title of Section 48-231-101(b) shall be

"AUTHORIZED SIGNATURE".

Section 52. Tennessee Code Annotated, Section 48-238-105, is amended by deleting the section in its entirety.

Section 53. Tennessee Code Annotated, Section 48-239-102, is amended by adding the following as a new subsection (c):

- (c) GOVERNOR OTHER THAN A NATURAL PERSON. Except for members, all governors shall be natural persons. In the event an entity that is a member is elected governor, the entity shall exercise its duties and authority by such officer or agent as the bylaws or equivalent of such entity may prescribe or, in the absence of such a provision, as the board of directors, board of governors or equivalent of such entity may determine. The secretary of the LLC shall be provided with written directions as to whom the designated natural person is that is to function on behalf of the entity. This designation may be changed from time to time. The LLC may rely upon the representations of such officer or agent as to the authority unless such authority is questioned.
- (d) DEEMED RESIGNATION OF A GOVERNOR OTHER THAN A NATURAL PERSON. In the event a governor, other than a natural person, bankrupts or dissolves, such governor shall be deemed to have immediately resigned as a governor.

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Section 54. Tennessee Code Annotated, Section 48-239-112(a), is amended by deleting the language "greater" and by substituting instead the language "different".

Section 55. Tennessee Code Annotated, Section 48-239-115(d), is amended by inserting the language "or operating agreement" between the language "articles" and the punctuation ";".

Section 56. Tennessee Code Annotated, Section 48-239-115(d)(1), is amended by adding between the language "members" and the punctuation ";" the following:

, however, the articles or operating agreement may define the duty of loyalty in a manner to reflect the understanding of the parties, provided such definition is not manifestly unreasonable under the circumstances.

Section 57. Tennessee Code Annotated, Section 48-239-115(e), is amended by deleting the subsection in its entirety and by substituting instead the following:

(e) MODIFICATION OF STANDARD OF CONDUCT IN ARTICLES OR OPERATING AGREEMENT. Notwithstanding anything to the contrary in this section, the articles or operating agreement may define the standard of conduct for governors in a manner to reflect the understanding of the parties provided such definition is not manifestly unreasonable under the circumstances.

Section 58. Tennessee Code Annotated, Section 48-239-116(a), is amended by deleting the language "or" at the end of subsection (a)(2), by deleting the punctuation "."

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at the end of subdivision (a)(3), and by substituting instead the language "; or", and by adding as a new subsection (a)(4) the following:

(a)(4) The transaction was of a nature in which the conflict of interest is waived by the articles or operating agreement. Such waiver shall be upheld unless manifestly unreasonable under the circumstances.

Section 59. Tennessee Code Annotated, Section 48-240-101, is amended by inserting the language "chapters 201-248 of this title," immediately before the language "the articles or operating agreement" on line 3; by deleting the language "will" and by inserting instead the language "will" and "shall" on line four (4) and by inserting the language "acting in their capacity as members" immediately after "of the members" in the last line.

Section 60. Tennessee Code Annotated, Section 48-240-102, is amended by adding a new subsection (g) which reads as follows:

(g) MODIFICATION OF STANDARD OF CONDUCT IN ARTICLES OR OPERATING AGREEMENT. Notwithstanding anything to the contrary in this section, the articles or operating agreement may define the standard of conduct in a manner to reflect the understanding of the parties provided such definition is not manifestly unreasonable under the circumstances.

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Section 61. Tennessee Code Annotated, Section 48-240-103(a), is amended by deleting the language "an" in the second line of the subsection and by substituting the language "a member-managed" and by deleting the language "void or".

Section 62. Tennessee Code Annotated, Section 48-240-103(a)(5), is amended by inserting the language "or" following the punctuation ";" at the end of the subdivision.

Section 63. Tennessee Code Annotated, Section 48-240-103(a)(6), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(6) Notwithstanding anything to the contrary in this section, the articles or operating agreement may define the standard of conduct of the members in a manner to reflect the understanding of the parties provided such definition is not manifestly unreasonable under the circumstances.

Section 64. Tennessee Code Annotated, Section 48-241-111(a), is amended by adding at the end of the subsection the following language:

Notwithstanding anything to the contrary in this section, the articles or operating agreement may define the standard of conduct of the managers in a manner to reflect the understanding of the parties provided such definition is not manifestly unreasonable under the circumstances.

Section 65. Tennessee Code Annotated, Section 48-242-101(a), is amended by inserting the language "chapters 201-248 of this title" following the language "Unless

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otherwise provided in"; by inserting the punctuation "." following the language "financially assist a person"; and by deleting the remainder of Section 48-242-101(a).

Section 66. Tennessee Code Annotated, Section 48-242-101(d)(1)(B), is amended by deleting the language "membership interests" and by inserting instead the language "voting interests of members".

Section 67. Tennessee Code Annotated, Section 48-244-102(b), is amended by deleting the language "or" on line two (2) and by inserting instead the language "of".

Section 68. Tennessee Code Annotated, Section 48-244-104(b), is amended by deleting the language "plan" and by substituting instead the language "articles".

Section 69. Tennessee Code Annotated, Section 48-244-104(c), is amended by adding the following as a new subdivision:

(6) If obligations incurred before the merger by a party to the merger are not able to be satisfied out of the property of the surviving entity, all partners, members or shareholders of such party immediately before the effective date of the merger shall be obligated to contribute to the surviving entity to the extent and in the manner such persons would have been obligated to contribute to such party in the event such obligations of such party could not have been satisfied out of the property of such party.

Section 70. Tennessee Code Annotated, Section 48-244-102(d), is amended by inserting in the title immediately after the language "LIABILITIES" the language "OF A

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MEMBER" and by deleting the language ", a partner of the surviving general or limited

partnership or a shareholder of the surviving corporation".

Section 71. Tennessee Code Annotated, Section 48-244-102(d)(1), is amended.

Section 71. Tennessee Code Annotated, Section 48-244-102(d)(1), is amended by deleting the language ", partner or shareholder" and by substituting instead the language "and" after the punctuation ";".

Section 72. Tennessee Code Annotated, Section 48-244-102(d), is further amended by deleting subdivisions (2) and (4) in their entirety and by redesignating subdivision (3) as subdivision (2). Such new subdivision (2) shall be amended by deleting the language ,"partner or shareholder" and by deleting the language "; and" and by inserting a period ".".

Section 73. Tennessee Code Annotated, Section 48-244-201(a), is amended by deleting the language "a majority in interest of its voting" and by substituting instead the language "a majority vote".

Section 74. Tennessee Code Annotated, Section 48-244-201(b)(2), is amended by deleting the language "the affirmative vote of the owners of the voting power of the interests entitled to vote" and by inserting instead the language "majority vote".

Section 75. Tennessee Code Annotated, Section 48-245-101(a), is amended by inserting the language "or (c)" immediately following the language "Except as stated in subsection (b)".

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Section 76. Tennessee Code Annotated, Section 48-245-101(a)(5), is amended by deleting the language "upon the occurrence of an event that terminates the continued membership of a member in the LLC, including:" and by inserting the language "upon the occurrence of any of the following events, unless the articles or operating agreement provide that one or more of the following events will not constitute an event of dissolution:"; by inserting the language "Resignation or other" before the language "Withdrawal of any member in (a)(5)(C) and by deleting the language "Withdrawal" and by substituting instead the language "withdrawal"; and by designating subsection (a)(5)(I) as "(a)(5)(K)" and by inserting the following new (a)(5)(I):

Insanity of any member;

Section 77. Tennessee Code Annotated, Section 48-245-101(b), is amended by deleting the language "(J)"; by substituting instead the language "(K) including if and as modified by subsection (c)"; and by deleting the punctuation ";" at the end of subsection (b) and by substituting instead the following:

the consent of a majority in interest of the remaining members or such greater interest of the remaining members as provided in the articles. Such consent must be obtained no later than ninety (90) days after the dissolution event. The granting of consent is at the discretion of each member and may be unreasonably withheld.

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Section 78. Tennessee Code Annotated, Section 48-245-101(c), is amended by renumbering subsection (c) as (d); by amending new subsection (d); by inserting the language ", as modified by subsection (c) if applicable," immediately following the language "specified in subsection (a)"; and by inserting as new subsection (c) the following:

- (c) REDUCTION OR ELIMINATION OF DISSOLUTION EVENTS.
- (1) In the event the articles permit, the articles or operating agreement may specify that none or less than all of the events listed in subdivisions (a) (5)(A)-(K) constitute dissolution event(s).
 - (2) If permitted by the articles, the articles or the operating agreement of a board-managed LLC may provide that the events of dissolution enumerated in subdivisions (a)(5)(A)-(K) may be limited to one (1) or more events that are applicable only to those members serving as governors.

Section 79. Tennessee Code Annotated, Section 48-245-202(b)(2), is amended by deleting the language "the affirmative vote of the owners of a majority of the voting power of all membership interests entitled to vote and" and by substituting instead the language "a majority vote or such greater vote as may be provided for in the articles or operating agreement,".

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Section 80. Tennessee Code Annotated, Section 48-245-301, is amended by deleting from the end of subdivision (4) the language "or"; by deleting the punctuation "." from the end of subdivision (5) and by adding the language "; or"; and by inserting the following as a new subdivision (6):

A governor, manager, member or other representative of an LLC signed a document such person knew was false in any material respect with the intent that the document be delivered to the secretary of state for filing.

Section 81. Tennessee Code Annotated, Section 48-246-102(a), is amended by inserting the language "or Section 48-247-110" between the language "chapter" and the punctuation ";".

Section 82. Tennessee Code Annotated, Section 48-246-501(a)(5), is amended by deleting the language "the member" and inserting instead the language "such person".

Section 83. Tennessee Code Annotated, Section 48-246-601(d), is amended by deleting the language "two hundred dollars (\$200)" and inserting instead the language "three (3) times the otherwise required filing fee".

Section 84. Tennessee Code Annotated, Section 48-246-602, is amended by adding the following at the end of the section:

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The reasonable attorney fees and expenses of such an action by the attorney general and reporter may be recovered from the foreign LLC at the discretion of the court if an injunction is obtained.

Section 85. Tennessee Code Annotated, Section 48-247-103(d), is amended by inserting the language "or foreign LLC, if applicable," between the language "LLC" and the language "on" and by adding at the end of the subsection the following new sentence:

Notwithstanding the above, if the LLC is prohibited by its articles from doing business in Tennessee and represents that it has not and is not doing business in Tennessee, the filing fee shall be three hundred dollars (\$300) regardless of the number of members.

Section 86. Tennessee Code Annotated, Section 48-247-110, is amended by adding the following as a new section:

In the event that the LLC is prohibited from transacting business in Tennessee by its articles but actually transacts business in Tennessee and but for §48-247-103(d) it would have paid a larger filing fee, the LLC shall be fined an amount equal to three (3) times the annual filing fee, less the amount actually paid, for each year or part thereof in which it actually does business in Tennessee.

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Section 87. Tennessee Code Annotated, Section 48-247-104(a), is amended by deleting the language "by" as found in the second line and by substituting instead the language "with".

Section 88. Tennessee Code Annotated, Section 48-248-102(7), is amended by deleting the language "such as accounting, architectural, engineering and legal services,".

Section 89. Tennessee Code Annotated, Section 48-248-104(c), is amended by adding the following as a new subsection:

(c) Notwithstanding the above, if an LLC is formed to provide professional services in states other than Tennessee, such LLC may elect professional LLC status under §48-248-103 for the purpose of rendering professional service(s) as permitted by the licensing boards of the states in which it will operate. Such PLLC shall, nevertheless, be required to file reports and other information as may be required by the applicable licensing boards of Tennessee to establish or confirm that the PLLC is not providing professional services in Tennessee.

Section 90. Tennessee Code Annotated, Section 48-248-301(a)(1), is amended by deleting the language "or" immediately preceding the language "P.L.L.C." and by inserting immediately following the language "P.L.L.C." the language "or such abbreviations without punctuation".

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Section 91. Tennessee Code Annotated, Section 48-248-401(a), is amended by deleting the language "LLCs" on lines four (4), five (5), and six (6) and by inserting the language "PLLCs" instead; and by deleting the language "or" at the end of subdivision (3) and by inserting instead the language "and/or".

Section 92. Tennessee Code Annotated, Section 48-248-403, is amended by deleting the language "dissolved the" in the fourth line and by substituting instead the language "withdrawn from".

Section 93. Tennessee Code Annotated, Section 48-248-501(b)(2), is amended by deleting the language "described in" and inserting instead the language "referenced in and satisfies the requirements of.".

Section 94. Tennessee Code Annotated, Section 48-248-502, is amended by deleting the language "a" between the language "render" and the language "specified" and by deleting the language "service" and by substituting instead the language "services".

Section 95. Except for the provisions of this act relative to § 48-246-601(d) which shall become effective ninety (90) days after the enactment of this act, and such provisions relative to § 48-216-101(a) which shall be effective only for LLCs organized on or after the date thirty (30) days after the enactment of this amendment or LLCs specifically electing to have the amendment apply, the act shall become effective upon becoming a law, the public welfare requiring it.

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